



FEDERAL ACTIONS



Department of the Interior

FISH AND WILDLIFE SERVICE

FISHERIES LOAN FUND ACTIVITIES INITIATED:

Terms and conditions for the granting of loans under the newly-created fisheries loan fund, authorized by the Fish and Wildlife Act of 1956, were announced October 17, 1956, by the Secretary of the Interior. The loan fund will be administered by the Fish and Wildlife Service.

The regulations establishing the required administrative procedures were published in the Federal Register on October 18.

The loan fund was created under the authority of the new Fish and Wildlife Act, approved by the President on August 8, which empowered the Secretary of the Interior "to make loans for financing and refinancing of operations, maintenance, replacement, repair, and equipment of fishing gear and vessels, and for research into the basic problems of fisheries." Loans cannot be extended for any phase of a shore operation.

Secretary Seaton explained that the rate of interest on all loans granted is fixed at five percent per annum. The period of maturity of any loan shall be determined and fixed according to the circumstances, but in no event can it exceed a period of 10 years.

Loan application forms and instruction sheets for filling out the forms, plus a copy of the regulations, became available from the Fish and Wildlife Service beginning October 22. The Act authorized \$10 million to provide initial capital as a revolving fund for these loans. Under the terms of the Act, a loan may not be granted unless reasonable finan-

cial assistance applied for is not otherwise available on reasonable terms.

Persons in the United States and territorial possessions who desire loans should obtain an application form and instruction sheet from the nearest Fish and Wildlife Service Fishery Market News Office. These offices are located in New York City, Boston and Gloucester, Mass., Hampton, Va., New Orleans, La., San Pedro, Calif., Seattle, Wash., and Chicago, Ill. In Alaska applications may be obtained from the Service's Fishery Products Laboratory in Ketchikan and the Service's office in Juneau; in Hawaii from the Service's Laboratory, 2570 Dole Street, Honolulu.

Forms are also available from the central office of the Fish and Wildlife Service at Washington 25, D. C. Completed application forms may be sent to the Washington office of the Service or to the field offices from which application forms were obtained.

Street addresses of the Fishery Market News Offices are as follows:

Boston, Mass., Rm. 10 Commonwealth Pier

New York, N. Y., 155 John Street

Hampton, Va., 18 S. King Street

New Orleans, La., Federal Building

San Pedro, Calif., Post Office

Building

Seattle, Wash., 421 Bell Street

Terminal

Chicago, Ill., Rm 618, 565 W. Wash-

ington Street

Gloucester, Mass., Post Office

Building

The broad objective of the fisheries loan fund created by the Act is to provide financial assistance which will aid the commercial fishing industry to bring about a general upgrading of the condition of both fishing vessels and fishing gear in order to produce more efficient and profitable fishing operations.

TITLE 50—WILDLIFE

Chapter I—Fish and Wildlife Service,
Department of the InteriorSubchapter J—Fisheries Loan Fund
PART 160—LOAN PROCEDURES

Basis and purpose. Section 4 of the Fish and Wildlife Act of 1956 (70 Stat. 1119, 1121), created a Fisheries Loan Fund to be used by the Secretary of the Interior under rules and regulations and under terms and conditions to be prescribed by him to make loans for financing and refinancing of operations, maintenance, replacement, repair, and equipment of fishing gear and vessels, and for research into the basic problems of fisheries. To implement the authorization thus granted, the following regulations, constituting a new subchapter and part, are adopted.

Sec.	
160.1	Definitions of terms.
160.2	Purposes of loan fund.
160.3	Interpretation of loan authorization.
160.4	Qualified loan applicants.
160.5	Basic limitations.
160.6	Applications.
160.7	Processing of loan applications.
160.8	Approval of loans.
160.9	Interest.
160.10	Maturity.
160.11	Security.
160.12	Penalties on default.

AUTHORITY: §§ 160.1 to 160.12 issued under sec. 4, 70 Stat. 1121.

§ 160.1 *Definitions of terms.* For the purposes of this part, the following terms shall be construed, respectively, to mean and to include:

(a) *Secretary.* The Secretary of the Interior or his authorized representative.

(b) *Administrator.* Administrator of the Small Business Administration or his authorized representative.

(c) *Person.* Individual, association, partnership or corporation, any one or all, as the context requires.

(d) *State.* Any State, the Territories and possessions of the United States, the Commonwealth of Puerto Rico, and the District of Columbia.

§ 160.2 *Purposes of loan fund.* (a) Under section 4 of the Fish and Wildlife Act of 1956, the Secretary is authorized, among other things,

(1) To make loans for financing and refinancing of operations, maintenance, replacement, repair, and equipment of fishing gear and vessels, and for research into the basic problems of fisheries.

(2) Subject to the specific limitations in the section, to consent to the modification, with respect to the rate of interest, time of payment of any installment of principal, or security, of any loan contract to which he is a party.

The broad objective of the fisheries loan fund created by the Act is to provide financial assistance which will aid the commercial fishing industry to bring about a general upgrading of the condition of both fishing vessels and fishing gear thereby contributing to more efficient and profitable fishing operations.

(b) All financial assistance granted by the Secretary must be for one or more of the purposes set forth in paragraph (a) of this section.

§ 160.3 *Interpretation of loan authorization.* The terms used in the Act to describe the purposes for which loans may be granted are construed to be

limited to the meanings ascribed in this section.

(a) *Operation of fishing gear and vessels.* The words "operation of fishing gear and vessels" mean and include all phases of activity directly associated with the capture or landing of fish.

(b) *Maintenance of fishing gear and vessels.* The words "maintenance of fishing gear and vessels" mean the normal and routine upkeep of all parts of fishing gear and fishing vessels, including machinery and equipment.

(c) *Replacement of fishing gear and vessels.* The words "replacement of fishing gear and vessels" contemplate the purchase of fishing gear or fishing vessels or any equipment, parts, machinery, or other items incident to outfitting for fishing to replace lost, damaged, worn, obsolete, inefficient, or discarded items of a similar nature.

(d) *Repair of fishing gear and vessels.* The words "repair of fishing gear and vessels" mean the restoration of any worn or damaged part of fishing gear or fishing vessels to an efficient operating condition.

(e) *Equipment of fishing gear and vessels.* The words "equipment of fishing gear and vessels" mean the parts, machinery, or other items incident to outfitting for fishing which are purchased for use in fishing operations.

(f) *Research into the basic problems of fisheries.* The words "research into the basic problems of fisheries" mean investigation or experimentation designed to lead to fundamental improvements in the capture or landing of fish conducted as an integral part of vessel or gear operations.

§ 160.4 *Qualified loan applicants.* (a) Any person residing or conducting business in any State shall be deemed to be a qualified applicant for financial assistance if—

(1) He owns a commercial fishing vessel of United States registry (if registration is required) used directly in the conduct of fishing operations, irrespective of the type, size, power, or other characteristics of such vessel;

(2) He owns any type of commercial fishing gear used directly in the capture of fish;

(3) He is directly engaged in commercial fishing operations using a fishing vessel of United States registry (if registration is required) or fishing gear under his control on a lease or share basis; or

(4) He owns or controls any property, equipment, or facilities useful in conducting research into the basic problems of fisheries or possesses scientific, technological, or other skills useful in conducting such research.

(b) Applications for financial assistance cannot be considered if the loan is to be used for—

(1) Any phase of a shore operation.

(2) Refinancing an existing loan made upon reasonable terms.

(3) Paying creditors for debts previously incurred (except where loans deemed to be based upon unreasonable terms are refinanced).

(4) Purchasing a partial interest in other fishing vessels or fishing gear or buying a partner's interest.

(5) Financing new business ventures involving fishing operations.

§ 160.5 *Basic limitations.* Applications for financial assistance may be considered only when there is evidence that the credit applied for is not otherwise available on reasonable terms. The financial assistance applied for shall be deemed to be otherwise available on reasonable terms, unless it is satisfactorily demonstrated that—

(a) Proof of refusal of the desired credit has been obtained from the applicant's bank of account: *Provided*, That if the amount of the loan applied for is in excess of the legal lending limit of the applicant's bank or in excess of the amount that the bank normally lends to any one borrower, then proof of refusal should be obtained from a correspondent bank or from any other lending institution whose lending capacity is adequate to cover the loan applied for. Proof of refusal of the credit applied for must contain the date, amount, and terms requested. Bank refusals to advance credit will not be considered the full test of unavailability of credit and, where there is knowledge or reason to believe that credit is otherwise available on reasonable terms from sources other than such banks, the credit applied for cannot be granted notwithstanding the receipt of written refusals from such banks.

(b) Other applicable Government financing is not available to the applicant.

§ 160.6 *Application.* Any person desiring financial assistance from the fisheries loan fund shall make application to the Fish and Wildlife Service, Department of the Interior, Washington 25, D. C., on a loan application form furnished by that Service except that, in the discretion of the Secretary, an application made other than by use of the prescribed form may be considered if the application contains information deemed to be sufficient. Such application shall indicate the purposes for which the loan is to be used, the period of the loan, and the security to be offered.

§ 160.7 *Processing of loan applications.* If it is determined, on the basis of a preliminary review, that the application is complete and appears to be in conformity with established rules and procedures, a field examination shall be made. Following completion of the field investigation the application will be forwarded with an appropriate report to the Fish and Wildlife Service, Department of the Interior, Washington 25, D. C.

§ 160.8 *Approval of loans.* Loan agreements shall be executed on a form approved by the Secretary. The Secretary will evidence his approval of the loan by issuing a commitment order covering the terms and conditions for making the loan. Such commitment order shall be referred to the Administrator who will direct the closing of the loan with the applicant in the field and render services involving the collection of repayments and such other loan servicing functions as may be required. Any modification of the terms of a loan agreement following its execution must be agreed to in writing by the borrower and the Secretary.

§ 160.9 *Interest.* The rate of interest on all loans which may be granted is fixed at five per cent per annum.

§ 160.10 *Maturity.* The period of maturity of any loan which may be granted shall be determined and fixed according to the circumstances but in no event shall the date of maturity so fixed exceed a period of ten years.

§ 160.11 *Security.* Loans shall be approved only upon the furnishing of such security or other reasonable assurance of repayment as the Secretary may require.

§ 160.12 *Penalties on default.* Unless otherwise provided in the loan agreement, failure on the part of a borrower to conform to the terms of the loan agreement will be deemed grounds upon which the Secretary may cause any one or all of the following steps to be taken:

(a) Discontinue any further advances of funds contemplated by the loan agreement.

(b) Take possession of any or all collateral given as security and the property purchased with borrowed funds.

(c) Prosecute legal action against the borrower.

(d) Declare the entire amount advanced immediately due and payable.

(e) Prevent further disbursement of and withdraw any funds advanced to the borrower and remaining under his control.

These regulations shall become effective upon publication in the FEDERAL REGISTER.

Issued at Washington, D. C., and dated October 15, 1956.

FRED A. SEATON,
Secretary of the Interior.

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INTERIOR AND SMALL BUSINESS ADMINISTRATION COOPERATE IN GRANTING FISHERY LOANS:

Secretary of the Interior Fred A. Seaton and Administrator of the Small Business Administration Wendell B. Barnes, announced October 25, 1956, that the two agencies have concluded an agreement for administration of the recently-established \$10 million fisheries loan fund.

This loan fund was authorized by the Fish and Wildlife Act of 1956 and the regulations establishing the required administrative procedures were published in the Federal Register on October 18.

Under the terms of the "memorandum of understanding" signed by the two agencies, all completed loan applications must first be sent by the applicant to the Fish

and Wildlife Service of the Department of the Interior, either to the nearest designated fishery field office or to the central office in Washington, D. C.

Applications approved for further processing will be forwarded by the Department to the Small Business Administration, which will initiate a field investigation to ascertain the applicant's financial standing. At the same time, the Service will determine the applicant's qualifications in the field of fisheries.

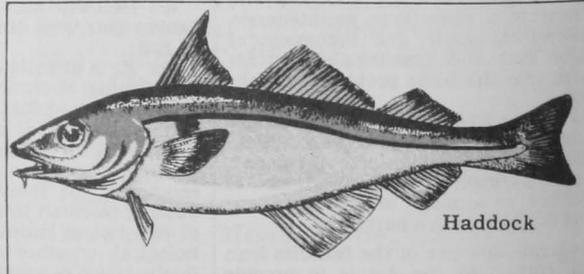
Loan applications approved by the Department of the Interior on the basis of investigations by the Small Business Administration and the Fish and Wildlife Service will be transmitted to the Small Business Administration, which will perform the services involving the issuance of the check for the loan, collection of repayments, and other loan servicing functions.

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REVISED REGULATIONS ADOPTED FOR NEW ENGLAND HADDOCK FISHERY:

Revised regulations prescribing restrictions on trawling nets used in the taking of haddock in the Northwest Atlantic Ocean by persons under the jurisdiction of the United States have been adopted, the Department of the Interior announced on September 19, 1956.

The new regulations, effective October 26, 1956, authorize the U. S. Fish and Wildlife Service to issue registra-



tion certificates for vessels to be used in the taking of haddock within Subarea 5 of the Northwest Atlantic Ocean. These certificates will be issued by the Service's Regional Office in Boston, Mass.

Subarea 5 is an area of the high seas lying off the coast of New England and

is one of five separately described areas of the high seas covered by the International Convention for the Northwest Atlantic Fisheries, signed at Washington, February 8, 1949.

Vessels registered for use in the haddock fishery will be required to use trawl nets having a minimum mesh size of $4\frac{1}{2}$ inches. As a result, possession of trawl nets with a mesh size less than $4\frac{1}{2}$ inches on vessels which must be so registered to participate in haddock fishing will be illegal, thus making more effective the enforcement of the restriction on mesh size. Prior to the new regulation, no registration to so identify boats engaged in haddock fishing was required.

The minimum mesh size restriction has been in effect since 1953. It was adopted in that year following a proposal by the 10-nation International Commission for the Northwest Atlantic Fisheries. Experience gained during three years of operations has indicated the desirability of effecting the change which will be helpful in obtaining industry-wide compliance with the requirements of the regulations.

For many years, prior to the adoption of the regulations, haddock fishermen using nets having an inside measure-

ment as small as 2 inches caught haddock which were too small to be marketed. These small haddock were discarded at sea. The present regulations, based upon knowledge obtained through extensive research into the rates of growth and mortality of haddock, specifies a minimum mesh size of $4\frac{1}{2}$ -inches inside measure which has the effect of permitting immature haddock to escape unharmed from the nets. Since adoption of the new fishing practices in 1953, biologists of the Fish and Wildlife Service estimate that several million pounds of young fish have been left in the sea each year for capture at a future time when they will have grown to a more desirable size.

By notice of proposed rule making published in the Federal Register on June 12, 1956, the public was invited to participate in the adoption of the proposed amendments to these regulations by submitting data, views, or arguments to the Director of the Fish and Wildlife Service within 30 days from the publication of the notice. Only one person sent in comments.

The revised regulations as published in the Federal Register of September 25, 1956, follow:

TITLE 50—WILDLIFE

Chapter I—Fish and Wildlife Service, Department of the Interior

Subchapter I—Northwest Atlantic Commercial Fisheries

PART 155—HADDOCK PROVISIONS

Experience gained since the initial adoption of regulations effective May 31, 1953 (18 F. R. 2414), prescribing restrictions on trawling nets used in the taking of haddock in the Northwest Atlantic Ocean, has demonstrated a need for further revisions in the regulations to make the same more effective.

In accordance with section 4 (a) of the Northwest Atlantic Fisheries Act of 1950, proposed amendments to the regulations were submitted to the Advisory Committee to the United States Commissioners on the International Commission of the Northwest Atlantic Fisheries on March 26, 1956, at which time the proposed revised regulations received the approval, in principle, of the Advisory Committee.

By notice of proposed rule making published on June 12, 1956 (21 F. R. 4015) the public was invited to participate in the adoption of proposed amendments to these regulations by submitting data, views, or arguments to the Director, Fish and Wildlife Service,

Washington 25, D. C., within a period of thirty days from the publication of the notice. Consideration having been given to all pertinent data received in response to the notice, the regulations appearing below are adopted to replace Part 155—Haddock Provisions:

Sec.

- 155.1 Meaning of terms.
- 155.2 Haddock registration certificates.
- 155.3 Restrictions on fishing gear.
- 155.4 Temporary suspension of haddock registration certificates.
- 155.5 Certain persons and vessels exempted.

AUTHORITY: § 155.1 to 155.5 issued under sec. 7, 84 Stat. 1067; 16 U. S. C. 986.

§ 155.1 *Meaning of terms.* When used in the regulations in this part, unless the context otherwise requires, terms shall have the meanings ascribed hereinafter in this section.

(a) *Regulatory area.* The words "regulatory area" mean that portion of the Convention area, including all waters except territorial waters, bounded by a line beginning at the terminus of the international boundary between the United States of America and Canada in

Grand Manan Channel at a point in $44^{\circ}46'35.34''$ north latitude, $66^{\circ}54'11.23''$ west longitude; thence due south to the parallel of $43^{\circ}50'$ north latitude; thence due west to the Meridian of $67^{\circ}40'$ west longitude; thence due south to the parallel of $42^{\circ}20'$ north latitude; thence due east to a point in 66° west longitude; thence along a rhumb line in a southeasterly direction to a point in 42° north latitude $65^{\circ}40'$ west longitude; thence due south to the parallel of 39° north latitude; thence due west to the Meridian of $71^{\circ}40'$ west longitude; thence due north to a point three miles off the coast of the State of Rhode Island; thence along the coasts of Rhode Island, Massachusetts, New Hampshire, and Maine at a distance of three miles to the point of beginning.

(b) *Haddock.* The word "haddock" denotes any fish of the species *Melanogrammus aeglefinus*.

(c) *Haddock fishing.* The words "haddock fishing" mean and include (1) the catching, taking or fishing for or the attempted catching, taking or fishing for fish of the species *Melanogrammus aeglefinus*; and (2) the outfitting and depar-

ture of a vessel for or the return of a vessel from haddock fishing.

(d) *Fishing vessel.* The words "fishing vessel" denote every kind, type or description of watercraft or vessel subject to the jurisdiction of the United States used in or outfitted for catching or processing fish or transporting fish from fishing grounds.

(e) *Trawl net.* The words "trawl net" means any large bag net dragged in the sea by a vessel or vessels for the purpose of taking fish.

(f) *Cod end.* The words "cod end" mean the bag-like extension attached to the after end of the belly of the trawl net and used to retain the catch.

§ 155.2 *Haddock registration certificates.* (a) After the fifteenth day following the effective date of this part, no person shall engage in haddock fishing within the regulatory area nor shall any person possess, transport or deliver by means of any fishing vessel haddock taken within such area except under a haddock registration certificate issued and in force in conformity with the regulations in this part.

(b) The owner or operator of a fishing vessel may obtain without charge a haddock registration certificate by furnishing, on a form to be supplied by the Fish and Wildlife Service, information specifying the names and addresses of the owner and operator of the vessel, the name, official number and home port of the vessel, and the period for which the haddock registration certificate is desired. The form shall be submitted, in duplicate, to the Regional Director, Fish and Wildlife Service, Department of the Interior, Boston, Massachusetts, who shall grant the registration certificate for the duration specified by the applicant in the form but in no event to extend beyond the end of the calendar year during which the registration certificate is issued. New registration certificates shall similarly be issued to replace expired, lost or mutilated certificates. An application for replacement of an expiring registration certificate shall be made in like manner as the original application not later than ten days prior to the expiration date of the expiring certificate.

(c) The haddock registration certificate so issued by the Fish and Wildlife Service shall be carried on board the vessel for which it is issued at all times and such certificate, the vessel, its gear and equipment shall at all times be subject to inspection by officers authorized to enforce the regulations in this part.

§ 155.3 *Restrictions on fishing gear.* (a) No person shall possess at any time on board a vessel for which a haddock registration certificate is in force, or use or attempt to use from such vessel, a trawl net or nets, parts of nets or netting

having a mesh size of less than four and one-half inches as defined in this section.

(b) As used in this section, the term "mesh size of less than four and one-half inches" shall mean (1) with respect to any part of the net except the cod end, the average size of any twenty consecutive meshes in any row located at least ten meshes from the side lacings measured when wet after use; and (2) with respect to the cod end, the average size of any row of meshes running the length of the cod end located at least ten meshes from the side lacings, measured when wet after use, or, at the option of the user, a cod end which has been approved, in accordance with paragraph (d) of this section, by an authorized employee of the Fish and Wildlife Service, as having a mesh size when dry before use equivalent to not less than four and one-half inches when wet after use.

(c) All measurements of meshes when wet after use shall be made by the insertion into such meshes under pressure of not less than ten nor more than fifteen pounds of a flat wedge-shaped gauge having a taper of two inches in nine inches and a thickness of three thirty-seconds of an inch.

(d) For the purpose of approving dry cod ends before use, as contemplated by paragraph (b) of this section, the average mesh size of such cod ends shall be determined by measuring the length of any single row of meshes running the length of the cod end, parallel to the long axis of the cod end and located at least ten meshes from the side lacings, when stretched under a tension of two hundred pounds, and dividing the length by the number of meshes in such row: *Provided*, That not more than ten percent of the meshes in such row shall be more than one-half inch smaller when measured between knot centers than the average of the row. Cod ends so measured which are constructed of the twines and are of not less than the average mesh sizes specified in the table below may be approved for haddock fishing by any authorized employee of the Fish and Wildlife Service by the attachment to such cod end of an appropriate seal.

Twine	Average mesh size
4-ply 45-yard manila, double strand.	5.625 inches (5 $\frac{1}{2}$ ")
4-ply 50-yard manila, double strand.	5.625 inches (5 $\frac{1}{2}$ ")
4-ply 75-yard manila, double strand.	5.625 inches (5 $\frac{1}{2}$ ")
4-ply 80-yard manila, double strand.	5.500 inches (5 $\frac{1}{2}$ ")
120-thread cotton.	4.250 inches (4 $\frac{1}{4}$ ")

(e) The alteration, defacement or re-use of any seal affixed to a cod end in accordance with this section is prohibited.

(f) The repair, alteration or other modification of a cod end to which a seal has been affixed in accordance with this section shall invalidate such seal and such cod end shall not thereafter be

deemed to be approved for haddock fishing. Nothing contained in this paragraph shall preclude the continued use at the option of the user of a cod end having an invalidated seal affixed thereto: *Provided*, That such cod end after repair, alteration or other modification shall continue to have a mesh size of not less than four and one-half inches as defined in paragraph (b) of this section.

(g) The use in haddock fishing within the regulatory area of any device or method which will obstruct the meshes of the trawl net or which otherwise will have the effect of diminishing the size of said meshes is prohibited: *Provided*, That a protective covering may be attached to the underside only of the cod end alone of the net to reduce and prevent damage thereto.

§ 155.4 *Temporary suspension of haddock registration certificates.* (a) The owner or operator of any fishing vessel which is proposed to be used in haddock fishing beyond the limits of the regulatory area or is proposed to be used in fishing within such area for species of fish other than haddock, may obtain a temporary suspension of the haddock registration certificate issued for such vessel for the specified period during which such nonregulated fishing is to be conducted.

(b) Temporary suspension of haddock registration certificates shall be granted upon oral or written request, specifying the period of suspension desired, by an authorized officer of one of the following agencies: Fish and Wildlife Service, Coast Guard, Bureau of Customs, and Post Office Department, and by an authorized officer of the States of Maine and Massachusetts. Such officer shall make appropriate endorsement on the certificate evidencing the duration of its suspension.

§ 155.5 *Certain persons and vessels exempted.* Nothing contained in the regulations in this part shall apply to:

(a) Any person who or vessel which, in the course of taking fish other than haddock, takes and possesses a quantity of haddock not exceeding five thousand pounds, or ten percent of all fish on the vessel from which the fishing is conducted, whichever is the greater.

(b) Any person or vessel authorized by the Director of the Fish and Wildlife Service to engage in haddock fishing for scientific purposes.

(c) Any vessel documented as a common carrier by the Government of the United States and engaged exclusively in the carriage of freight and passengers.

These regulations shall become effective 30 days after publication in the FEDERAL REGISTER.

Dated: September 18, 1956.

FRED G. AANDAHL,
Acting Secretary of the Interior.



Tariff Commission

"ESCAPE CLAUSE" REPORT ON GROUND FISH FILLETS RELEASED:

The Tariff Commission on October 12 submitted a report to the President on its findings and recommendation in the "escape clause" investigation No. 47 made under section 7 of the Trade Agreements Extension Act of 1951, as amended, with respect to groundfish fillets. Such fillets (include frozen fillet blocks or slabs used for making fish steaks) are subject to duty at rates imposed under paragraph 717(b) of the Tariff Act of 1930, as modified pursuant to a tariff concession granted in the General Agreement on Tariffs and Trade on January 1, 1948. Under that agreement, the duty is 1-7/8 cents per pound on an annual quota equal to whichever of the two following amounts is the larger: (1) 15 million pounds, or (2) 15 percent of the average annual United States consumption of such fish fillets in the three preceding calendar years. Imports in excess of that quota are dutiable at 2-1/2 cents a pound, which is the rate of duty originally provided for all imports of groundfish fillets in paragraph 717(b) of the Tariff Act of 1930. Paragraph 717(b) covers "cod, haddock, hake, pol-

lock, cusk, and rosefish, fresh or frozen (whether or not packed in ice), all the foregoing, filleted, skinned, boned, sliced, or divided into portions."

The Commission unanimously found that, as a result in part of the customs treatment reflecting the aforementioned concession, groundfish fillets are being imported into the United States in such increased quantities, both actual and relative, as to cause serious injury to the domestic industry producing like or directly competitive products. The Commission also found that in order to remedy this serious injury, it is necessary that the duty on the imports that enter under the tariff quota be increased from 1-7/8 cents a pound to 2.8125 cents a pound, and that the duty on the imports that enter in excess of that quota be increased from 2-1/2 cents a pound to 3.75 cents a pound.

The Commission's report contains a brief summary of the information assembled in the investigation and also a statistical appendix.

The conclusions arrived at by the Commission were:

"... the domestic industry producing groundfish fillets has been in serious difficulty during the past several years. Its distress stems from a number of causes, but for the purposes of this investigation the Commission needs to consider only whether increased imports, either actual or relative to domestic production, have contributed substantially towards causing or threatening serious injury to such industry."

"The statistics . . . indicate

"(1) that imports of groundfish fillets have increased almost continuously from 9 million pounds in 1939 to 88 million pounds in 1951, and to 128 million pounds in 1955;

"(2) that the increase in imports has occurred in all major types and forms of groundfish fillets;

"(3) that United States production of groundfish fillets rose from 100 million pounds in 1939 to 149 million pounds in 1951, and thereafter declined irregularly to 106 million pounds in 1955;

"(4) that cold-storage holdings of frozen groundfish fillets in recent years have recurrently been at such high levels as to have a depressing effect on the prices of groundfish fillets;

"(5) that United States consumption of groundfish fillets rose from 106 million pounds in 1939 to 244 million pounds (inclusive of 53 million pounds of frozen slabs) in 1955;

"(6) that the share of the domestic market supplied by the domestic producers of groundfish fillets declined from 95 percent in 1939 to 62 percent in 1951, to 51 percent in 1954, and to 43 percent in 1955;

"(7) that average prices received by processors for groundfish fillets have declined sharply but irregularly from the near-record levels of 1951 (output in 1955 was 29 percent less than in 1951 and

only 5 percent above that in 1939);

"(8) that employment in domestic filleting plants has followed the same general trend as the volume of domestic output of groundfish fillets;

"(9) that wage rates in filleting plants have increased during the past several years but not as rapidly as those in other manufacturing industries in the Boston area;

"(10) that, on the basis of sampling, the domestic concerns that fillet groundfish, in the aggregate, have sustained operating losses in all recent years;

"(11) that about 95 percent of the United States catch of groundfish is landed by New England's groundfish-fishing fleet, which consists almost wholly of large and medium trawlers;

"(12) that currently more than 80 percent of the landings of groundfish in New England ports are used by primary processors there for conversion into fillets and slabs, and that in most of those ports the only important buyers of groundfish are the filleting plants;

"(13) that ex-vessel prices for groundfish rose considerably between 1939 and the period 1951-52, and have declined irregularly but substantially since then;

"(14) that largely because of the impact of severe competition from imported groundfish fillets, the size of the New England groundfish-fishing fleet has declined;

"(15) that the total number of job opportunities for groundfish fishermen in New England increased between 1944 and 1947, but since then has declined substantially--largely because of the reduction in the size of the fleet;

"(16) that average dollar earnings of fishermen engaged in groundfish fishing declined sharply between 1951 (when earnings were at their highest in recent years) and 1953, but rose in the following 2

years to a level only slightly higher than that which prevailed in 1953;

"(17) that average dollar earnings of fishermen in recent years have not advanced as rapidly as those of factory workers in the Boston area, and that the purchasing power of groundfish fishermen's incomes declined by an average of 23 percent between 1950 and 1955; and

"(18) that, on the basis of sampling, the owners of the domestic groundfish-fishing fleet, in the aggregate, have been operating at a loss in all recent years.

"On the basis of the facts outlined above, the Commission finds that increased imports of groundfish fillets have contributed substantially towards causing serious injury to the domestic industry producing groundfish fillets. Further, the Commission is of the opinion that as long as this industry continues to be confronted with competition from imported groundfish fillets as severe as has prevailed during the past several years, it has little prospect of extricating itself from the complex of problems that confront it. Under existing conditions of competition from imports, vessel owners have little or no incentive even to replace old or lost vessels with new ones--much less to make additions to their fleets. Indeed, some owners have already sold their vessels, and others have transferred vessels to fish-

ing ventures in other waters and even under other flags. Continued shrinkage in the size of the fleet lessens job opportunities for fishermen, reduces the size of their annual catch of fish, and lowers the scale of filleting operations which in turn results in lessened employment, reduced earnings, and lower profits in filleting plants. The impact of such a chain of events is particularly disturbing to the major New England port cities whose economies are so heavily dependent upon maintenance of a healthy industry for producing groundfish fillets.

"The Commission believes that the application of the increased rates of duty here recommended will prevent the serious injury now being experienced by the domestic industry because of the severity of competition from imported groundfish fillets, and that these increases in duty, together with the benefits that the industry may expect from recently enacted legislation (Public Laws 1024 and 1027, 84th Congress) should enable it to deal effectively with its over-all problems.

"The Commission believes that the rates of duty that it here recommends (in accordance with the requirements of section 7 of the Trade Agreements Extension Act of 1951, as amended), are the lowest that will afford relief from serious injury to the domestic groundfish-fishing and filleting industry."



PEARL ESSENCE

Pearl essence is made by several different processes which involve the removal of the guanin crystals from the scales of fish. These crystals are deposited in the epidermis of the scales and give them their luster. After processing this luster is imparted to beads of glass or other objects in the manufacture of artificial pearls.

The herring, *Clupea harengus*, caught along the North Atlantic coast has provided much of the raw material for this trade. Recently pearl essence has been produced from herring scales from the Pacific British Columbia herring fishery. One hundred tons of fish are reported to produce one ton of scales, which produces one pound of essence.

--"Sea Secrets," The Marine Laboratory,
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